

## Follow Your Stocks – a monthly analysis tool

Bob Adams Seminar: IE7122

<http://bob-adams.home.comcast.net>

The handout for this class in a larger color format is available on my website

# Follow Your Stocks

(a monthly analysis tool)

Are your stocks meeting your expectations?

Bob Adams

[bob-adams@comcast.net](mailto:bob-adams@comcast.net)

<http://bob-adams.home.comcast.net>

Please turn pagers  
and cell phones off

6-20-07

4

## Follow Your Stocks (a monthly analysis tool—why?)

- The SSG – updated Annually  
The PERT-A – updated Quarterly
- Follow Your Stocks – updated Monthly
  - Requires MS Excel or OpenOffice  
(If you don't have Excel your library does—use a flash drive—or download OpenOffice)
  - Student version of MS Office available:  
**Observe the process – then a live example**

\*



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**Edit - TEXAS INSTRUMENTS INC**

PMG Monthly Price | Company Data | Notes | Options

Company Info | **NSA or Classic** | Company Data | Yearly Data | **Quarterly Data**

Date of Last FY Dec/31/2005

Date of Last Quarter **Dec/31/2006**

	Revenue (Mil.)	Earnings Per Share	Pre-Tax Inc.(Mil.)	Net Income (Mil.)
Q1 FY 2005 (Mar 2005)	\$ 2702.00	\$ 0.21	\$ 459.00	\$ 364.35
Q2 FY 2005 (Jun 2005)	2971.00	0.30	656.00	500.70
Q3 FY 2005 (Sep 2005)	3339.00	0.36	809.00	598.68
Q4 FY 2005 (Dec 2005)	3592.00	0.40	867.00	657.20
Q1 FY 2006 (Mar 2006)	3334.00	0.34	772.00	550.12
Q2 FY 2006 (Jun 2006)	3697.00	0.47	1039.00	745.42
Q3 FY 2006 (Sep 2006)	3761.00	0.45	984.00	691.65
<b>Q4 FY 2006 (Dec 2006)</b>	<b>3430.00</b>	<b>.38</b>		
Q1 FY 2007 (Mar 2007)				
Q2 FY 2007 (Jun 2007)				
Q3 FY 2007 (Sep 2007)				
Q4 FY 2008 (Dec 2007)				

Update Q Data Only |  Update New Data Only |  Lock Data | Help | OK | Cancel

Follow the Stock form-TXN.xls

Instructions | **Follow Your Stocks -- A Monthly Report** | Version 3.115-S

Company: **Company name** | Ticker Symbol: **txn**

Rpt. created by: **I.Gotbucks** | Month Fiscal Year ends & last fiscal year: **31-Dec-06**

	Dec-06	Dec-07	Dec-08
Forecast High price [4A1]	82.50		
Est. Low price [4B1]	18.10		
Avg. High PE [4A]	25.0		
Curr. gr. EPS Growth Est. % [Part 1 EPS]	15.0		
Curr. gr. Sales Growth Est. % [Part 1 Sales]	15.0		
5 Year Average PE [3-8]	22.8		

New Quarterly data will be available on this date: 4-Aug-2007

	Dec-06	Dec-07	Dec-08
<b>Forecast High price [4A1]</b>	<b>82.50</b>		
<b>Est. Low price [4B1]</b>	<b>18.10</b>		
<b>Avg. High PE [4A]</b>	<b>25.0</b>		

Month	Quarter
Jan-08	Q1
Feb-08	Q1
Mar-08	Q1
Apr-08	Q2
May-08	Q2
Jun-08	Q2
Jul-08	Q3
Aug-08	Q3
Sep-08	Q3
Oct-08	Q4
Nov-08	Q4
Dec-08	Q4

Reminder: Estimated data are shown above | Average 5.9%

# Follow Your Stocks – a monthly analysis tool

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### 3 PRICE-EARNINGS HISTORY as an indicator of the future

*This shows how stock prices have fluctuated with earnings and dividends. It is a building block for basing earnings into future stock prices.*

PRESENT PRICE **28.800** HIGH THIS YEAR **36.400** LOW THIS YEAR **26.770**

Year	A PRICE		C Earnings Per Share	D Price Earnings Ratio		F Dividend Per Share	G % Payout F+C X 100	H % High Yield F+B X 100
	HIGH	LOW		HIGH A+C	LOW B+C			
1 2001	54.7	20.1	0.01	<del>5,470.0</del>	<del>2,010.0</del>	0.085	850.0	0.4
2 2002	35.9	13.1	0.18	<del>199.4</del>	<del>72.0</del>	0.085	47.2	0.6
3 2003	31.7	13.9	0.65	<del>48.0</del>	<del>21.4</del>	0.085	13.4	0.6
4 2004	34.0	18.1	1.05	32.4	17.2			
5			1.33	26.1	15.6			
6				58.5	32.8			
7				29.3	16.4		185.	
8			22.8	9 CURRENT PRICE EARNINGS RATIO			17.6	

Proj. P/E [15.27] based on Next 4 qtr. EPS [1.64] Current P/E Based on Last 4 qtr. EPS [1.64] PEG=102

### 4 EVALUATING RISK and FORWARD over the next 5 years

*Assuming a recession and one business recovery over 5 years, calculations are made of how high and how low the stock might sell. The upside-downside info is the key to evaluating risk and reward.*

**A HIGH PRICE – NEXT 5 YEARS**  
 Avg. High P/E **29.3** X Estimate High Earnings/Share **3.30** = Forecast High Price \$ **82.5**

**B LOW PRICE – NEXT 5 YEARS**  
 (a) Avg. Low P/E **16.4** X Estimated Low Earnings/Share **1.2** = **19.7**  
 (b) Avg. Low Price of Last 5 Years = **17.2**  
 (c) Recent Severe Market Low Price = **18.1**  
 (d) Price Dividend Will Support **0.160** High Yield **0.006** = **24.7**  
 Selected Estimate Low Price **18.1**

**Proj. High Price \$82.50**  
**Proj. Low Price \$18.10**

### Follow Your Stocks -- A Monthly Report

Version 3.101

Company: **Company name** Ticker Symbol: **txn**

Rpt. created by: **I. Gotbucks** Month Fiscal Year ends & last fiscal year: **31-Dec-05**

Press Ctrl-D to delete data -- if using Excel  
 If not, click on the "Instructions" tab below

	Dec-05	Dec-06	Dec-07	Dec-05	Dec-06	Dec-07
Forecast High price [4A]	82.5			15.0		
Est. Low price [4B]	18.10			15.0		
Avg. High PE [4A]	25.0			22.8		

28.80 17.3 **New Quarterly data will be available on this date: 16-Mar-2007**

Sell alert  Relative  Quarter  Projected

### Follow Your Stocks

Company: **Company**

Rpt. created by: **I. Gotbucks** Month Fiscal Year ends & last fiscal year: **31-Dec-05**

	Dec-05	Dec-06	Dec-07	
Forecast High price [4A]	82.5			Curr. gr. EPS
Est. Low price [4B]	18.10			Curr. gr. Sales
Avg. High PE [4A]	25.0			

7.6%  
8.7%  
2.2%

Quarter	Year	Value
Mar-08	Q1	
Jun-08	Q2	
Sep-08	Q3	
Dec-08	Q4	

Average **6.1%**

# Follow Your Stocks – a monthly analysis tool

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**Follow Your Stocks -- A Monthly Report** Version 3.101

Company: **Company name** Ticker Symbol: **txn**

Month Fiscal Year ends & last fiscal year: **31-Dec-05**

Forecast High price [4A1] **82.5**      Curr. gr. EPS Growth Est. [Part 1 EPS] **15.0**  
 Est. Low price [4B1] **18.10**      Curr. gr. Sales Growth Est. [Part 1 Sales] **15.0**  
 Avg. High PE [4A] **25.0**      5 Year Average PE [3-8] **22.8**

New Quarterly data will be available on this date: **16-Mar-2007**

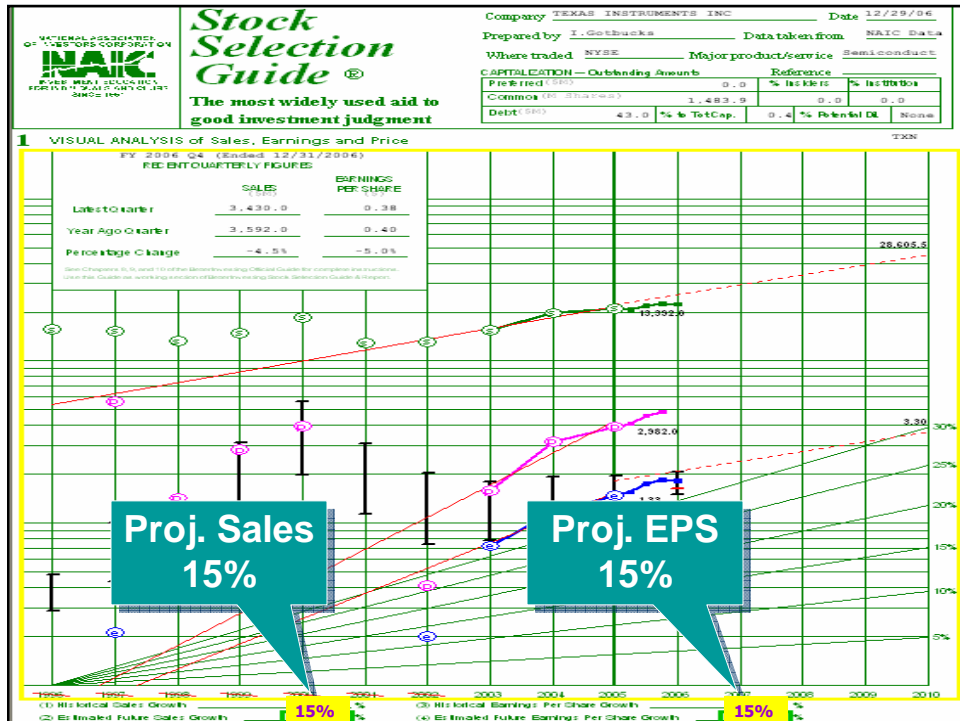
**Your Stocks -- A Monthly Report** Version 3.101

Company name **Company name** Ticker Symbol: **txn**

ends & last fiscal year **31-Dec-05**

Curr. gr. EPS Growth Est. [Part 1 EPS] **15.0**  
 Curr. gr. Sales Growth Est. [Part 1 Sales] **15.0**  
 5 Year Average PE [3-8] **22.8**

Average **6.1%**



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PRESENT PRICE **28.800** HIGH THIS YEAR **36.400** LOW THIS YEAR **26.770**

Year	A PRICE		C Earnings Per Share	D Price Earnings Ratio		F Dividend Per Share	G % Payout F+C X 100	H % High Yield F+B X 100
	HIGH	LOW		HIGH A+C	LOW B+C			
1 2001			0.01	<del>5,476.0</del>	<del>2,016.0</del>	0.085	850.0	0.4
2 2002			0.18	<del>199.4</del>	<del>72.0</del>	0.085	47.2	0.6
3 2003			0.65	<del>48.0</del>	<del>21.4</del>	0.085	13.1	0.6
4 2004			1.05	32.4	17.2	0.089	8.5	0.5
5 2005			1.33	26.1	15.6	0.105	7.9	0.5
6 TOTAL				58.5	32.8		926.7	
7 AVERAGE		17.2		29.3	16.4		185.3	
8 AVERAGE PRICE EARNINGS RATIO	22.8		CURRENT PRICE EARNINGS RATIO		17.6			

**5 yr. Average PE = 22.8**

### 4 Proj. P/E [15.27] Based on Next 4 qtr. EPS [Current] P/E Based on Last 4 qtr. EPS [1.64] EVALUATING RISK and REWARD over the next 5 years PEG=102

*Assuming no recession and one business boom every 5 years, calculations are made of how high and how low the stock might sell. The upside/downside info is the key to evaluating risk and reward.*

**A HIGH PRICE – NEXT 5 YEARS**  
 Avg. High P/E **29.3** X Estimate High Earnings/Share **3.30** = Forecast High Price \$ **82.5**

**B LOW PRICE – NEXT 5 YEARS**  
 (a) Avg. Low P/E **16.4** X Estimated Low Earnings/Share **1.33** = \$ **21.8**  
 (b) Avg. Low Price of Last 5 Years = **17.2**  
 (c) Recent Severe Market Low Price = **18.1**  
 (d) Price Dividend Will Support **0.160** - **24.7**  
 High Yield (H) **0.006**  
 Selected Estimate Low Price **18.1**

### Follow Your Stocks -- A Monthly Report

Company: **Comp: [ ]** Symbol: **txn** Version 3.115-S

Month Fiscal Year ends & last fisc

Date of Last FY **Dec/31/2006**

Date of Last Quarter **Mar/31/2007**

	Revenue (Mil.)	Earnings Per Share	Pre-Tax Inc.(Mil.)	Net Income (Mil.)	Quarterly Earnings (Mil.)	Qtrs EPS	Growth	% growth over/under projections	If Estimated data are used a warning will show below
Q1 FY 2005 (Mar 2005)	\$ 2702.00	\$ .16	\$ 459.00	\$ 364.35					
Q2 FY 2005 (Jun 2005)	2971.00	.15	656.00	506.00					
Q3 FY 2005 (Sep 2005)	3339.00	.17	808.00	598.68					
Q4 FY 2005 (Dec 2005)	3323.00	.19	809.00	607.91					
Q1 FY 2006 (Mar 2006)	3334.00	.21	772.00	550.12	0.21	1.27	1.30	7.6%	Estimated
Q2 FY 2006 (Jun 2006)	3637.00	.30	902.00	666.12	0.30	1.40	1.45	5.2%	Estimated
Q3 FY 2006 (Sep 2006)	3761.00	.36	984.00	691.65	0.36	1.52	1.57	4.8%	Estimated
Q4 FY 2006 (Dec 2006)	3463.00	.40	807.00	584.61	0.40	1.65			
Q1 FY 2007 (Mar 2007)	3191.00	.34	733.00	529.20	0.49				
Q2 FY 2007 (Jun 2007)									

**Quarterly EPS**

**Mar-06 Q1**

**Q1 Mar 2006**

Reminder: Estimated data are shown above Average 5.9%

# Follow Your Stocks – a monthly analysis tool

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Instructions | Follow Your Stocks -- A Monthly Report | Version 3.115-S

Rpt. cre: | Company name: | Ticker Symbol: |

Forca: | Fiscal year: 31-Dec-06 |

Mon: | Date of purchase: |

or m: |

Lock Data | Internet | Prices

Ok

TOOLKIT 5

TK

**Quarterly Revenue**

Last Quarter of Data: 1st Quarter FY 2006

Quarter	Sales	EPS	Pre-Tax	Net Income
1st Qtr FY 2006 (Mar 06)	2,702.0	0.21	459.00	94.65
2nd Qtr FY 2006 (Jun 06)	2,971.0	0.30	656.00	155.30
3rd Qtr FY 2006 (Sep 06)	3,339.0	0.36	808.00	209.32
4th Qtr FY 2006 (Dec 06)	3,323.0	0.37	809.00	201.09
1st Qtr FY 2006 (Mar 06)	3,334.0	0.34	772.00	221.88

growth over/under projections [watch the trend]

7.6%

5.2%

4.8%

5.9%

growth over/under projections [watch the trend]

Instructions | Follow Your Stocks -- A Monthly Report | Version 3.115-S

Rpt. created by: I. Gotbucks | Company name: | Ticker Symbol: txn

Fiscal year: 31-Dec-06

Forca: | Date of purchase: |

Mon: | Date of purchase: |

or m: |

Lock Data | Internet | Prices

Ok

TOOLKIT 5

TK

**Quarterly Revenue**

Date of Last Quarter: Mar/31/2007

Date	Quarter	Revenue (Mil.)	Earnings Per Share	Pre-Tax Inc. (Mil.)	Net Income (Mil.)
Mar-06	Q1 FY 2005 (Mar 2005)	\$ 2702.00	\$ .16	\$ 459.00	\$ 364.35
Jun-06	Q2 FY 2005 (Jun 2005)	2971.00	.15	656.00	500.70
Sep-06	Q3 FY 2005 (Sep 2005)	3339.00	.17	808.00	598.68
Dec-06	Q4 FY 2005 (Dec 2005)	3323.00	.19	809.00	607.91
Mar-07	Q1 FY 2006 (Mar 2006)	3334.00	.21	772.00	550.12
Jun-07	Q2 FY 2006 (Jun 2006)	3637.00	.30	902.00	666.12
Sep-07	Q3 FY 2006 (Sep 2006)	3761.00	.36	984.00	691.65
Dec-07	Q4 FY 2006 (Dec 2006)	3463.00	.40	807.00	584.61
Mar-08	Q1 FY 2007 (Mar 2007)	3191.00	.34	733.00	529.20
Jun-08	Q2 FY 2007 (Jun 2007)				

Reminder: Estimated data is shown above

Average

1.7%

0.2%

-1.0%

5.9%

1.7%

0.2%

-1.0%

# Follow Your Stocks – a monthly analysis tool

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Follow Your Stocks -- A Monthly Report												
Instructions		Company: <b>Company name</b>						Ticker Symbol: <b>txn</b>				
Rpt. created by: <b>I.Gotbucks</b>		Month Fiscal Year ends & last fiscal year: <b>31-Dec-06</b>										
Forecast High price [4A]		Dec-06	Dec-07	Dec-08	Curr. gr. EPS Growth Est. % [Part 1 EPS]			Dec-06	Dec-07	Dec-08		
Est. Low price [4B]		82.50			15.0			15.0				
Avg. High PE [4A]		18.10			5 Year Average PE [3-8]			22.8				
		25.0										
New Quarterly data will be available on this date: <b>4-Aug-2007</b>												
Month and Year of purchase or meeting	Meeting day	Sell Alert price -- Low end of Sell zone [4-C4]	Projected P/E Ratio [Projected Values]	P/E Alert Value -- 15 X 5 Yr Avg PE	Relative Value (Curr PE / 5Yr Avg PE X 100)	PEG (Proj. PE / EPS Growth)	Upside/Downside Ratio	Quarter Report Dates For Fiscal Year	Quarter	Quarterly Earnings and Sales data (Update Qtrly)	Trailing 4 Qtrs (Last 4 Qtrs EPS)	Projected value (Previous 4 Qtrs. plus Proj. Growth)
Jan-07												
Feb-07								Mar-06	Q1	0.21		sum of prior 4 qtrs. + Projected Gwth X year ago quarter EPS
Mar-07												
Apr-07	30 29	48.81	21.6									
May-07	29 78	48.81	19.0								1.27	
Jun-07	32 59	48.81	20.8								1.40	1.30
Jul-07	33 25	48.81	21.2	34.2	93	1.41	3.3	Jun-07	Q2	0.42	1.52	1.45
Aug-07	30 10	48.81	18.2	34.2	80	1.21	4.4	Sep-07	Q3	0.49	1.65	1.57
Sep-07		48.81						Dec-07	Q4			
Oct-07		48.81						Mar-08	Q1			
Nov-07		48.81						Jun-08	Q2			
Dec-07		48.81						Sep-08	Q3			
Jan-08								Dec-08	Q4			

Take data from updated SSG for these columns

### 3 PRICE-EARNINGS HISTORY as an indicator of the future

This shows how stock prices have fluctuated with earnings and dividends. It is a building block for translating earnings into future stock prices.

Year	A PRICE		B Earnings	C Price Earnings Ratio	D Dividend Per Share	E % Payout F+C X 100	H % High Yield F+B X 100	
	HIGH	LOW						
1 2001	54.7	20.1			0.085	850.0	0.4	
2		13.1			0.085	47.2	0.6	
3		13.9			0.085	13.1	0.6	
4		18.1	1.05	32.4	0.089	8.5	0.5	
5		20.7	1.33	26.1	0.105	7.9	0.5	
6		85.9		58.5		926.7		
7 AVERAGE		17.2		29.3	16.4	185.3		
8 AVERAGE PRICE EARNINGS RATIO			22.8	9 CURRENT PRICE EARNINGS RATIO				17.6

4 Proj. P/E [15.27] Based on Next 4 qtr. EPS [Current] P/E Based on Last 4 qtr. EPS [1.64] EVALUATING RISK and REWARD over the next 5 years

Assuming one recession and one business boom every 5 years, calculations are made of how high and how low the stock might sell. The upside/downside ratio is the key to evaluating risk and reward.

A HIGH PRICE – NEXT 5 YEARS  
 Avg. High P/E **29.3** X Estimated High Earnings/Share **3.30** = Forecast High Price \$ **82.5** (4A1)

B LOW PRICE – NEXT 5 YEARS  
 Avg. Low P/E **16.4** X Estimated Low Earnings/Share **1.33** = \$ **21.8**

Low end of Sell Zone **\$66.40**

Present Market Price of **28.800** is in the **Buy** Range





## Follow Your Stocks – a monthly analysis tool

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txn	
Texas Instruments Incorporated: Key Developments	
View:	
Lenovo Mobile Adopts Texas Instruments LoCosto Single-Chip Platform	14-Jun-07
Texas Instruments announces low-cost handsets from Lenovo Mobile.	
<b>Company news from MSN</b>	
Texas Instruments New Acoustic Echo Cancellation Software Boosts Speakerphone Performance in Grandstream SIP Phone Portfolio	12-Jun-07
Texas Instruments announced that Grandstream has selected Texas Instruments' new advanced acoustic echo cancellation (AEC) software to dramatically improve the speakerphone quality for its GXP2020, GXP2000, and BT200 IP phones, all of which are based on TI's TMS320C5000 digital signal processor (DSP) platform. A speakerphone enhancement firmware release based on the TI's new advanced AEC software will be available at the end of this month.	
Texas Instruments Narrows Q2 2007 Outlook In-Line with Analysts' Estimates	11-Jun-07
Texas Instruments announced that it expects second quarter 2007 revenue to be in the range of \$3.36-\$3.51 billion, EPS to be in the range of \$0.40-\$0.44. According to Reuters Estimates, analysts were expecting the Company to report revenue of \$3.5 billion and EPS of \$0.42 for second quarter 2007.	
Texas Instruments And Network Physics Collaborate To Deliver Optimized End-User Experience	5-Jun-07
Texas Instruments announced development initiative centered on delivering optimized end-user experiences for VoIP and IPTV services.	
Texas Instruments Announces Availability Of TMS320F28044 And F2809 digital signal controllers	22-May-07

txn	It is suggested you enter the price of the SSG and the trend in	
Texas Instruments Inc. (TXN)	At 4:00PM ET: 36.75	
Analyst Estimates	Get Analyst Estimates	
Earnings Est	Current Qtr	Next Qtr
	7-Jun	7-Sep
Avg. Estimate	0.42	0.49
No. of Analysts	31	30
Low Estimate	0.42	0.43
High Estimate	0.44	0.55
Year Ago EPS	0-Jan	0-Jan
Revenue Est	Current Qtr	Next Qtr
	7-Jun	7-Sep
Avg. Estimate	3.45B	3.70B
No. of Analysts	27	27
Low Estimate	3.44B	3.55B
High Estimate	3.48B	3.96B
Year Ago Sales	3.70B	3.76B
Sales Growth (year/est)	-6.70%	-1.60%

# Follow Your Stocks – a monthly analysis tool

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Edit - JOHNSON & JOHNSON (Sample)

1. When does fiscal year end?  
2. Need Quarterly data

Stock Analyst & Classic

Date of Last FY Dec/31/2006

Date of Last Quarter Mar/31/2007

	Revenue (Mil.)	Earnings Per Share	Pre-Tax Inc.(Mil.)	Net Income (Mil.)
Q1 FY 2005 (Mar 2005)	\$ 12832.00	\$ 0.94	\$ 3927.00	\$ 2842.28
Q2 FY 2005 (Jun 2005)	12762.00	0.90	3619.00	2722.23
Q3 FY 2005 (Sep 2005)	12230.00	0.82	3340.00	2474.02
Q4 FY 2005 (Dec 2005)	12610.00	0.70	2512.00	2109.45
Q1 FY 2006 (Mar 2006)	12992.00	0.99	4030.00	2962.77
Q2 FY 2006 (Jun 2006)	13363.00	0.93	3690.00	2766.19
Q3 FY 2006 (Sep 2006)	13157.00	0.95	3646.00	2800.70
Q4 FY 2006 (Dec 2006)	13682.00	0.81	3028.00	2373.87
Q1 FY 2007 (Mar 2007)	15037.00	1.16	4459.00	3392.19
Q2 FY 2007 (Jun 2007)				

Data for: JOHNSON & JOHNSON

BASIC DATA ANNUAL DATA QUARTERLY DATA

Last Quarter of Data: 1st Quarter FY 2007

Toolkit

Quarter	Sales	EPS	PTP	TAX \$
1st Quarter FY 2006 (Mar 06)	12,992.0	0.99	4,030.00	1,067.22
2nd Quarter FY 2006 (Jun 06)	13,363.0	0.93	3,690.00	923.83
3rd Quarter FY 2006 (Sep 06)	13,157.0	0.95	3,646.00	845.29
4th Quarter FY 2006 (Dec 06)	13,682.0	0.81	3,028.00	654.14
1st Quarter FY 2007 (Mar 07)	15,037.0	1.16	4,459.00	1,066.82

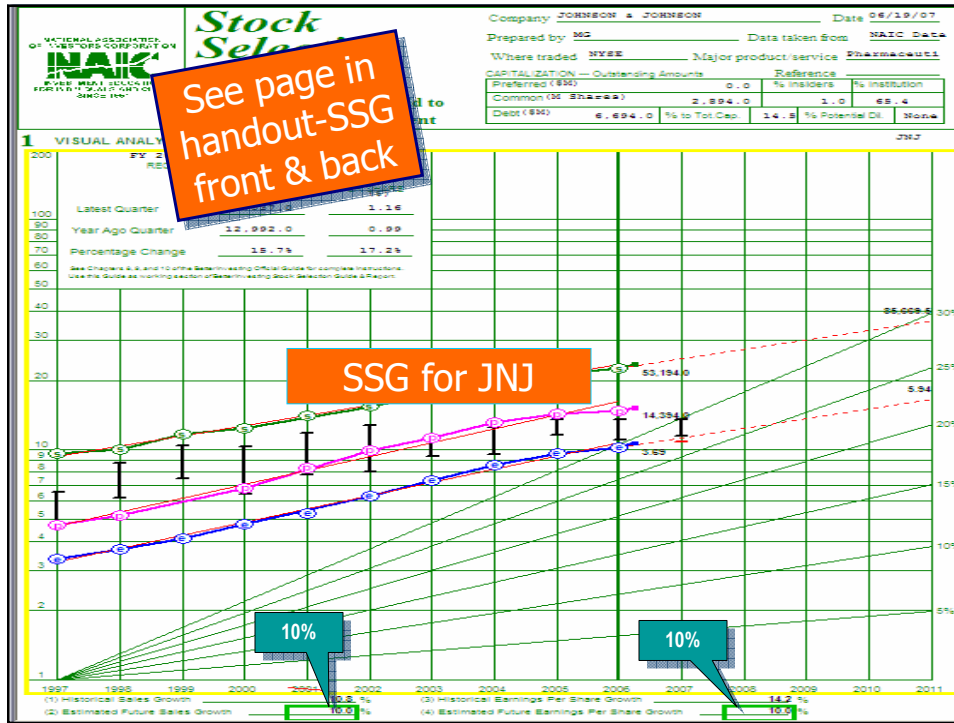
Retrieve quarterly data from BI software

TK

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**2 EVALUATING MANAGEMENT** Company: **JOHNSON & JOHNSON (JNJ)** 06/19/07

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	LAST 5 YEAR AVG	TREND
A % Pre-tax Profit on Sales (Net Before Taxes + Sales)	20.2	22.8	24.7	26.8	26.3	27.2	27.6	27.1	27.0	27.0	27.0	EVEN
B % Earned on Equity (ES + Book Value)	26.2	25.3	24.0	29.7	29.3	29.0	27.3	27.2	28.5	28.5	28.5	DOWN

**3 PRICE-EARNINGS HISTORY as an indicator of the future**  
 This shows how stock prices have fluctuated with earnings and dividends. It is a leading tool for translating earnings into future stock prices.

Year	A PRICE	B Earnings Per Share	C Price Earnings Ratio	D Dividend Per Share	E % Payout (F - C X 100)	F % High Yield (F - B X 100)
1 2002	65.9	2.27	29.0	18.2	0.795	35.0
2	59.1	2.65	22.3	18.2	0.925	34.9
3	64.3	3.10	20.7	15.9	1.095	35.3
4	70.0	3.48	20.1	17.2	1.275	36.6
5 2006	69.4	3.69	18.8	15.4	1.455	36.6
6 TOTAL	255.3	110.9	18.2	84.9	1.455	36.6
7 AVERAGE	51.1	22.2	22.2	17.0	1.455	36.6
8 AVERAGE PRICE EARNINGS RATIO	19.6	19.6	19.6	19.6	19.6	19.6
9 CURRENT PRICE EARNINGS RATIO	13.17	13.17	13.17	13.17	13.17	13.17

**4 EVALUATING RISK and REWARD over the next 5 years**  
 Assuming one recession and one business boom every 5 years, calculations are made of how high and how low the stock might sell. The upside/downside ratio is the key to evaluating risk and reward.

**A HIGH PRICE -- NEXT 5 YEARS**

Estimate High Earnings/Share	Forecast High Price \$
5.94	147.9

**B**

Estimate Low Earnings/Share	Forecast Low Price \$
3.69	47.7

**C** Recent Severe Market Low Price = 56.7

**D** Will Support High Yield (M) = 1.660, High Yield (M) = 0.026

**E** Forecast Price Minus = 51.2, Low Forecast Price Equals = 96.7, Range: 1/3 of Range = 24.2

**F** Present Market Price of = 55.760, Buy (4C5)

**G** D:UP-SIDE DOWN-SIDE RATIO (Potential Gain vs. Risk of Loss)

High Price (4A1)	Minus Present Price	Present Price	Minus Low Price (4B1)
147.9	92.1	55.760	51.2
	4.6		20.2